# Legislative Finance Committee Performance Based Budgeting Evaluation of Department of Public Safety

**April 30, 2002** 

### **PURPOSE OF EVALUATION AND RESULTS**

New Mexico's performance-based budgeting (PBB) efforts are based on the Accountability in Government Act (AGA), enacted in 1999. The AGA requires that agencies group a set of activities into programs. Agencies then submit budgets organized by program. Each program has goals, objectives and performance measures. A select number of performance measures are included in the General Appropriation Act (GAA). From a legislative standpoint, performance measures in GAA are the most visible sign of an agency's PBB performance.

The goal of this pilot evaluation is to inform LFC members about the implementation of PBB in the Department of Public Safety (DPS). To accomplish that task, this evaluation had three key objectives:

- (1) determine if the reported data is reliable and accurate,
- (2) assess the appropriateness of the measures, and
- (3) verify that measures are used in an operational context.

The evaluation focused on DPS' performance measures and supporting documentation. To examine DPS' PBB effort, measures were selected from the General Appropriation Act of 2001 and the General Appropriation Act of 2002. The

measures are also included in Legislative Finance Committee's (LFC) FY03 budget recommendation document. The table below summarizes the results in each of the three areas for the measures selected.

To support PBB, DPS implemented a strong strategic planning-based performance measurement system. However, the performance measures and strategic plan do not adequately account for the department's operational scope. DPS has an extensive reach throughout New Mexico's public safety community. The performance measures used by DPS should account for this comprehensive and diverse impact. DPS should also improve on the outcome orientation of its goals and measures.

It is important that everyone realize that PBB is an evolving process. There is no off-the-shelf, prepackaged set of outcome-related performance measures for a public safety agency. The challenges surrounding public safety measures are extensive and will not be easily resolved. Those challenges include:

- how to measure the impact of a single state agency when federal and local agencies also support the public safety activity, and
- the role external factors (i.e., the economy, environment, politics, and technology) have on performance.

### **DPS Performance Measure Assessment**

Program	Measure	Data Reliability	Measure	Management
			Validity	Use
Public Safety	Satisfaction rating from advanced	Factors Prevented	High	Yes
Support Program	training attendees	Certification		
Accountability and	Number of technical assistance site	Certified with Qualification	High	Yes
Compliance Program	visits provided to subgrantees			
Law Enforcement	Number of patrol hours	Certified	Medium	No
Program	Overtime cost per commissioned	Certified with Qualification	Medium	No
	officer*			
	Number of DWI enforcement hours*	Certified with Qualification	Medium	No
	Number of traffic enforcement	Certified with Qualification	Medium	Yes
	commercial vehicle inspections			
Information	Hours of computer downtime as a	Certified with Qualification	High	Yes
Technology Program	percent of total computer uptime			
	capacity			

<sup>\*</sup> Measure whose use was suggested by Legislative Finance Committee staff

### BACKGROUND

AGA requires that agencies have their performance evaluated. This is the pilot PBB evaluation of an agency in New Mexico. As a result it explores several scoring options that are tied to evaluation objectives. To conduct a pilot evaluation, LFC selected DPS, one of the initial PBB agencies.

This evaluation is not a review of DPS' initial PBB efforts, but a status report. The measures selected are measures used in preceding years that remain in use. As part of the evaluation process, this report also discusses several principles and concepts that would be helpful to other agencies.

This report discusses a selection of DPS performance measures, the performance management of the department and a driving-while-intoxicated (DWI) case study. While this was not a performance audit, it does discuss several program performance issues where changes would increase the future success of DPS' PBB efforts.

### PERFORMANCE MEASURES

**Data Reliability.** To certify the reliability of a measure's data, a measure's definition is compared to procedures used to report information as part of the budget process. A majority of DPS measures were certified through an examination of data systems. "Number of patrol hours" was certified through an examination of source documentation.

To achieve a "certified," measures were required to have definitions. The requirement that definitions accompany performance measures significantly affected the ratings given DPS. Examination of the systems used to obtain certification leads us to believe that measures classified as "certified with qualification" would have been "certified" had definitions been available. "Number of patrol hours" was certified based on a definition in a departmental operational manual.

The reliability of DPS' data was hard to assess. Assessing the reliability of the data would have been easier had the State Budget Division (SBD) of the Department of Finance and Administration (DFA) and DPS worked together to more fully assure that the department's monitoring plan submission met SBD's requirements. For example, SBD requires that agencies "explain the methodology used to determine reliability and the reason it was used." The requested information would have provided a better foundation for this evaluation. SBD's requirements should be revised so that additional information, like definitions, can be included in future monitoring plans.

**Data Reliability** 

	Data Remadirity
Certified	Reported performance was reasonably
	accurate
Certified	Reported performance was reasonably
with	accurate, but either minor deficiencies
Qualification	were noted with the supporting
	documentation, or controls were not
	sufficient, or the methodology used to
	calculate reported performance was not
	consistent with the measure definition
Factors	Actual performance could not be
Prevented	verified as documentation was
Certification	unavailable and/or controls were not
	adequate to ensure the accuracy of
	reported results
Inaccurate	Reported performance differed
	significantly from actual performance

An important part of providing accurate information is assuring that past performance is reported accurately. Currently, the only source for past performance information is LFC's budget recommendation document. An examination of LFC's FY02 and FY03 recommendations raised questions about the accuracy of reported performance information. The reported results were different for five of the six measures that had FY00 results in both recommendations. While no explanation was given by LFC for this discrepancy, it occurred because of DPS entry errors in the PBB database. Until agencies issue their own performance reports, LFC must take steps to ensure they report accurate numbers in their budget recommendation document.

**Performance Measure Validity.** Performance measure validity is important if the information is to be used as part of the budget and management process. Performance measures are made up of the measure and a target. For targets to be valid they should be set at a realistic level that is based on recent performance and

expected priorities. The measure is evaluated on how it relates to program performance.

**Performance Measure Validity** 

	<i>y</i>	
Exceeds	A measure of actual program impact or	
	public benefit with a realistic target	
High	A measure with a realistic target that is	
	affected by or affects program	
	performance	
Medium	A measure that is affected by or affects	
	program performance	
Low	A measure that is not directly affected by	
	nor directly affects program performance	

To obtain an "exceeds" on validity, a measure must meet the definition of an outcome measure in AGA. AGA defines outcome as "the measurement of the actual impact or public benefit of a program." Only one of DPS' seven outcome measures meets this definition. SBD and LFC should significantly strengthen their processes or training in determining measure classifications. The PBB process in New Mexico would improve if the focus was on program results and not the classification of measures.

When considering how a measure affects or is affected by program performance, the definition is the most important item considered. If no written definition is available, the operational definition reported by the agency is used. To affect or be affected by a measure's definition should be in line with common expectations for the measure.

DPS, as mentioned previously, did not have official definitions for its measures. DPS' lack of definitions is not unusual or unexpected. SBD and LFC have not established the requirement or the criteria for performance measure definitions. Definitions for measures are not as straightforward as it appears. As an example, when the measure for "number of DWI enforcement hours" was examined, it was discovered DPS only includes grant-funded DWI enforcement hours. Because it was not clear that general fund DWI activity was excluded, the measure received a low validity score. This does not mean DPS is using the wrong definition, only that the definition in use did not match expectations for the measure.

A performance measure's target and targetsetting process also determine its validity. "The number of traffic enforcement commercial vehicle inspections" was given a "medium," on validity because of the target-setting process used by DPS. DPS adjusts the target by a set percentage from its FY99 base. In FY00, the department conducted 13,587 traffic enforcement commercial vehicle inspections, but the targets for FY02 and FY03 are 11,672 and 11,905 respectively. The target should not be set so low that it takes no effort to achieve or set so high that staff become discouraged when they fall short.

# Management's Use of Performance Measures. One of PBB's primary purposes is to drive organizational performance. For that to happen, management must demonstrate that their measures are used to make organizational decisions. Workload data can still be useful if it is related to what the organization is trying to accomplish. The test for the utilization of a measure depends on management demonstrating

**Management Use** 

Yes	The measure positively influences decision	
	making and provides focus on long term goals	

that the measure influences decision making.

Just because a measure has reliable data and is valid doesn't mean that it has meaning to an organization. "The overtime per commissioned officer" is such a measure. DPS anticipates that overtime will be a set amount per officer. Additionally, State Police report that some districts have too many overtime opportunities to choose from and others do not have enough. Even though LFC suggested and approved it, this measure was not exempted from a thorough evaluation.

How a measure is used can also contribute to its score. For example, "the number of patrol hours" scored a "no" because use of the measure is different from expected performance. Officers report that managers discourage patrol hours and they report their time as engaged in other allowed activities. DPS' operational definition lowers the time reported as patrol time. For example, an officer on patrol providing motorist assistance would not report that time as patrol time.

The definition in use for "number of DWI enforcement hours" not only affected its validity score, but its management use rating. As we will

discuss later in the DWI case study, DWI is a priority for the department. By not accounting for all of their DWI activity, the measure is not as useful to management as if it accounted for all DWI activity.



DPS use of PBB has produced several best practices that should be acknowledged and replicated. The Motor Transportation Division (MTD) demonstrates how management focus benefits from a comprehensive performance management system. MTD was identified because they have a good, results-oriented outcome measure and comprehensive measurements. Also, MTD management values and frequently uses the performance information.

The results-oriented measure "commercial vehicle crash rates percentage per one hundred million vehicle miles driven" is not immune from the challenges previously noted. Enforcement and regulatory actions at the federal, state and local levels affect the measure. The measure is also affected by other external factors such as the weather and the economy. However, these challenges did not prevent DPS from adopting the measure.

MTD has a comprehensive system of management that supports this measurement. The traffic inspections reported in GAA are only 20 percent of the total inspections conducted. The division can break out its activity in multiple ways and this information is reported to divisional management on a weekly basis.

MTD also participated in a pilot program with the Federal Motor Carrier Safety Administration (FMCSA) to establish national models for evaluating commercial motor vehicle (CMV) risk and safety issues. This is critical to preventing CMV accidents. The division allows local districts to identify and target geographic areas and safety risks in their immediate area. For example, the Las Cruces district noted an increase in problems with New Mexico-registered CMVs. Staff set up special checkpoints to target those vehicles because they are not necessarily seen at traditional inspection points. This activity is driven by local needs, developed and initiated by the local staff and supports the department's overall goal.

MTD provides a good example of how to select an outcome measure, back it up with a comprehensive measurement system, and allow local flexibility in addressing the issue. These core principals are the sound foundation of a performance-based organization that others should replicate.

### PERFORMANCE MANAGEMENT

DPS has experienced tensions since its creation. Organizing disparate divisions into PBB programs has heightened these tensions. During the course of this evaluation, Secretary Thomas English took steps to increase PBB program accountability. While we strongly support many of these actions, we encourage staff responsible for developing DPS transition plans for the new administration to consider options that strengthen the statutory basis of DPS' PBB programs.

**Operational Focus.** DPS' operations have a greater impact and broader range than is currently reflected in its strategic plan and PBB efforts. Current performance measures provide only a glimpse of the department's actual performance. To account for the differences between impact and their performance measurement system, DPS should refocus on the core constituencies served by their operations and on the fundamental principles of their enabling legislation: better management, real coordination and more efficient use of state resources and manpower.

The operation of the crime labs, information technology systems and training academy is a primary example of the need to refocus. These programs are important to New Mexico's law enforcement community, but the measures do not demonstrate full program impact. The lack of customer service and satisfaction-oriented performance measures is profound.

While these operations have measures that can be construed as customer oriented, they fail to provide adequate information for internal management and legislative decision making. Improvement requires that clients and stakeholders are involved in measure development and that they receive reports on results. The measures should be benchmarked

against national standards, the private sector or neighboring states.

Performance measures used by DPS for crime labs operation do not provide adequate information for legislators and management. A significant backlog is reported, but a determination cannot be made whether it is the result of an unfunded legislative mandate or poor performance. To improve, both the northern and southern crime labs should define their clients, or stakeholders, and develop methods to test satisfaction. Because much of the crime labs' work comes from outside of the department. DPS should involve representatives from these client groups in performance measure development. Crime lab performance measures could also be improved if DPS benchmarked a set of core processes for comparison.

By adopting our recommendations and reporting adequately benchmarked results by lab and task, the areas requiring improved performance versus increased resources will become clear. To ensure quality, DPS' crime labs must be certified by a recognized forensic organization. Unless each lab meets these three steps, LFC should consider recommending alternative ways of providing crime lab services.

The law-enforcement program is an extremely difficult area in which to develop performance measures. LFC has long advocated a statewide strategic plan that establishes overarching goals and has offered to assist in this process. However, the lack of a formal plan should not prevent DPS from taking the lead and working cooperatively with others.

During previous discussions with DPS, LFC was primarily concerned about performance in the law-enforcement program. A strong heritage of commitment to serving New Mexico drives the law-enforcement program and specifically the State Police. DPS reports that in many unincorporated areas they serve as the primary law enforcement agency. When the local effort is insufficient, the state police step up and take the actions necessary to provide an adequate level of service. However, in other cases DPS staff sees themselves in competition for service calls with local law enforcement.

These problems are reflective of LFC's original concern over what exactly the role of DPS is in New Mexico's law enforcement community. DPS' performance-management system does not yet fully account for the intrinsic differences in its operations. To alleviate this differing level of commitment, DPS should account for its responsibilities by geographic area. This can best be accomplished by DPS working cooperatively with law enforcement at all levels to ensure that New Mexico's law enforcement resources are used efficiently and not duplicated.

Fully using and integrating separate statutory divisions in DPS' law-enforcement program is a cause for concern. Because the various components have historically and statutorily been separate entities, the focus on a common goal is lacking. DPS contends that the structural changes undertaken by the Secretary are within his administrative prerogative and designed to unify the agency and provide a common focus for the law enforcement program. The changes in the law-enforcement program are in line with the PBB objective of unifying agency activities under programs with common goals. The agency appears to be trying to make progress and time will tell if this endeavor is successful. We recommend that the Legislature follow the example of Texas, Arizona, Utah and Colorado and statutorily unify the law-enforcement functions currently under DPS. With or without this statutory change, DPS should consider changes to the organizational structure of its law-enforcement program components.

**Strategic Planning**. As one of the first agencies to implement PBB, DPS committed not only to measuring its performance, but to the use of strategic planning. The department's measures have evolved over the last three years as they have worked with SBD and LFC to define and improve their measures. Initially, DPS had a strong strategic planning component in its PBB efforts. The department reports that its strategic planning efforts faltered as a result of LFC's focus on measures. LFC staff reports that they were focused on having the department develop good outcome measures reflecting public concerns. In retrospect, both DPS and LFC were and are right. LFC needs to recognize and support strategic planning efforts at the departmental level, and DPS needs to develop good outcome measures.

DPS' FY02–FY05 (2002–2005) Strategic Plan (9/4/2001-v.3) is a multifaceted document that describes the many resource challenges facing the department. The plan's goals are broken up between department and program goals. DPS developed its strategic plan with significant input from program and division management. The strategic plan is structured around the PBB programs developed by the department. As a result, the plan does a good job of structurally placing program goals, measures and strategies within its programmatic framework.

### DPS PBB Programs Statutory Divisions

PBB Program	Statutory Divisions	
Law Enforcement	State Police	
Program	Special Investigations	
	Division	
	Motor Transportation	
	Division	
Public Safety Support	Training and Recruiting	
Program	Division	
	Technology and	
	Emergency Support	
Information Technology	Administrative Support	
Accountability and	Division	
Compliance Program		

According to SBD's guide, "Strategic planning is a powerful tool for setting priorities and making informed decisions about the future." DPS' strategic plan does not establish clear priorities and a direction for the future. The reasons for this conclusion are that the plan lacks clarity, contains too many elements of an annual action plan and report, and fails to fully explore its external and internal environments.

Plan Clarity. Setting priorities that are clear and direct about where the organization is headed is an important part of strategic planning. A strategic plan with a high degree of clarity is transparent about the organizing principles that focus the various programmatic interests of the department. The lack of linkages between DPS' strategic and programmatic goals and the numerous resource requests, limit DPS' strategic plan's capacity to clearly guide policy and direction.

Strategic goals provide the framework around which a strategic plan is organized and give a sense of what the department is trying to accomplish. The five strategic or departmental

goals adopted by DPS are overly weighted toward internal departmental operations. An example of an overarching strategic goal the department could have adapted is -- to promote the preservation of the peace, and the prevention and detection of crime.

**DPS' Strategic Goals** 

To effectively and efficiently utilize highly trained,	
equipped and motivated professionals to address	
critical public safety issues.	
To ensure appropriate staffing levels in all program	
areas and maximize employee productivity.	
To provide appropriate technical and administrative	
support in all program areas to insure successful	
resolution of specific critical criminal investigations,	
disasters, and crisis situations.	
To expand information systems needed to support	
criminal investigations, crime trend analysis,	
administrative support, and evaluation functions.	
To utilize the latest technology and training	
innovations to improve the state's response and	
support capabilities.	

AGA requires that PBB programs have goals and objectives. Given this and the strong programmatic focus of New Mexico's PBB implementation, DPS chose to organize its plan by programs. Each program has several program goals and objectives. DPS did not link its strategic goals with their program goals, performance measures and strategies. The separation of programmatic and departmental strategic goals creates a disconnect within the plan.

DPS strategic plan identifies personnel issues in two of its five strategic goals. These goals are not linked to departmental goals and could affect multiple programs. The strategic goal to ensure appropriate staffing levels and maximize productivity is challenged by state police recruitment, an inability to attract crime lab staff, and noncompetitive salaries. However, the responsibility for addressing challenges to attain these strategic goals and divisional objectives was not evident.

The Accountability and Compliance Support Program (ACS) which oversees personnel functions, has goals and measures that lack alignment with DPS strategic goals. ACS' goals and measures are to ensure compliance by tracking payroll errors, percent of employees with their performance appraisal and development (PAD) completed within 30 days of their anniversary date, the number of training hours, and energy consumption. These measures are not linked to the agency's overall strategic goals.

An analysis of DPS' strategic plan revealed an excessive focus on resource requests. A strategic plan should reflect hard choices, with a plan's usefulness often corresponding to the difficult policy and programmatic decisions made during its development. SBD's strategic planning guide calls for agencies to link strategies with budget requests. Despite the repetitive mention of resource needs throughout the strategic plan, the department has not specifically tied them to strategies or budget requests.

Annual Action Plan and Report. Like much of state government, DPS' strategic plan is a compilation document that includes an annual action plan. DPS accounts for an annual action plan by identifying action items related to each strategy. As a result, the department has not developed a separate annual action plan. An annual action plan is a best practice identified by SBD in their guide to successfully implementing a strategic plan. SBD and LFC should establish guidelines and encourage agencies to adopt this best practice.

In their strategic plan, DPS placed action plan items directly below each goal and objective. This is an exceptionally good job of labeling, linking, and identifying their action plan steps. When developing an annual action plan, DPS should continue to show these linkages.

Annual action plans are essential to the long-term success of PBB. Operationally centered strategies in annual action plans provide more detail and discussion in relation to performance. While the strategies are more detailed, a discussion of strategies should not be a detailed list of everything ongoing in the department. Highlighting key strategies and linking them to budgets, policy changes and annual performance measures will allow reviewers to judge the reasonableness of the strategy. A sign of successful PBB implementation is when budgets are tied to strategies.

DPS' strategic plan contains significant material that should be relegated to an annual report.

While some reporting is necessary for context, the level and frequency of reporting is inappropriate in a strategic planning document. Currently, SBD's reporting requirements are limited to semi-annual reporting of the status of measures included in GAA. DPS and other agencies should consider revising their annual reports to focus on performance and add context to agency results. This would allow agencies an opportunity to expand the limited measures included in GAA and to better tell their individual story.

External/Internal Assessments. External and internal assessments of the agency's operating environment are used in developing goals, measures and setting targets. SBD's guide recommends using a strength, weakness, opportunities, and threat exercise (SWOT).

When considering their SWOT factors, agencies should focus on those that are critical to the success of their mission. Conversely, agencies should omit those that are unlikely to occur or that have a minimal influence on goals and performance measures. The plan should also exclude factors that simply restate basic presumptions, e. g., goal achievement depends on future agency budgets being at requested levels, because such statements typically have little informational value. The key issues identified in these assessments should become the assumptions used in developing goals, measures, and setting targets.

One area with many internal threats that DPS discussed extensively was human resources. DPS' strategic plan considers recruitment, preparation, deployment and retention of its personnel crucial to its success. Staff discussed how the majority of time in personnel is spent on keeping up with complex payroll processing. This indicates a lack of connection between the identified strategic priorities for workforce development and the operating reality requiring concentration on required paperwork. It would be hard to expect more from DPS' personnel functions unless these serious problems are resolved.

One key strategy for the law enforcement program is the hiring of more state police officers. DPS will meet the goals of its 1998 Patrol Officer Assessment by the end of calendar year 2002. In the future, DPS needs to identify exactly how changes in its staffing impact their performance measures. Any updated assessment should provide linkages with current performance measures and strategies. The staffing survey should also correspond with commonly used personnel reports and allocate positions between various bureaus and divisions.

DPS reports that, as a result of the last increase in state police officers, "Support staff capability has been stretched to the limit." If DPS requests new officers, it needs to provide a better balance between officers and support to account for the maintenance and administrative services required to keep them functioning. Staffing surveys need to account for the full operational or lifecycle cost of additional officers.

### **DWI CASE STUDY**

LFC has long been concerned about the lack of program measures that are outcome orientated and reflect public concern. This is specifically true in DPS' law-enforcement program, which contributes significantly to the public safety in New Mexico. As stated previously, there is no cookie-cutter approach, and many other factors are involved when outcome measures are considered. However, areas do exist for possible improvement in DPS' law enforcement measures.

DWI and alcohol enforcement are symbolic of the lack of outcome measures in DPS' strategic plan. They also demonstrate how PBB could be used as a tool to improve program coordination, eliminate duplicate programs and provide better information.

State government in New Mexico has numerous programs involved in New Mexico's DWI/alcohol enforcement effort. The fragmented nature of DWI programs in this state is best illustrated by the fact that the New Mexico State Highway and Transportation Department (NMSHTD); DFA; Children, Youth and Families Department; Regulation and Licensing Department; district attorneys; Department of Health; Taxation and Revenue Department and courts all have DWI-related programs.

One of the purposes of AGA is to improve program coordination and eliminate duplicate

programs or activities. There is no overall performance accountability or coordination for DWI programs. SBD and LFC have yet to move beyond discussion and develop proposals to achieve potential savings by requiring the programs to coordinate activities. Common goals and coordination of strategies would provide a focus for the numerous agencies involved.

DPS has made DWI a priority. A majority of districts have identified it as a targeted area of emphasis. In addition, Secretary English has identified it as one of his top priorities. To assist in its focus on DWI, DPS receives five different grants for DWI enforcement and contracts with several localities for local DWI grant resources. Additionally, DPS is statutorily responsible for providing "real coordination" of public safety in New Mexico.

A good outcome measure for DWI, "number of alcohol-involved fatalities per 100 million vehicle miles" (MVM) is included in GAA under NMSHTD's Traffic Safety Bureau. This is a good outcome measure because it goes directly to a result (alcohol-involved fatalities) and accounts for changes in highway usage. This outcome measure could easily be used as an overarching DWI performance measure.

DPS' performance measure for alcohol enforcement is "number of driving while intoxicated enforcement hours." DPS, SBD and LFC have misidentified DPS' current DWI performance measure as an outcome measure.

In NMSHTD's Highway Safety & Performance Plan 2000-2005 (revised for FY2002) the department identifies a performance measure for DWI: "percent of fatalities alcohol related." The U.S. Department of Transportation (USDOT) also uses this measure. NMSHTD has set a target of 40 percent for New Mexico in 2005. In 2000, 48 percent of New Mexico's fatalities in crashes were alcohol related, the seventh highest in the nation. The full set of New Mexico's performance goals are identified below. Through the grants for its DWI work with NMSHTD, DPS agreed to be responsible for these DWI performance goals.

The alcohol-related measures below are all good measures for DWI and alcohol-enforcement

efforts. While they should not all be in GAA, the agencies involved should use them as part of their comprehensive measurement system. Agencies can use these and other measures to link specific strategies in their budget requests to goal accomplishments. Agencies can also improve their annual reports by using the additional information to enhance descriptions of their efforts.

### New Mexico's Highway Safety & Performance Plan 2000–2005 Performance Goals

Reduce New Mexico's alcohol-involved traffic fatality rate per hundred MVMs traveled from .8 in 2000 to .77 in 2002 and .68 in 2005

Reduce alcohol-involved traffic fatalities to 40% in 2005

Reduce alcohol-involved fatal crashes to 42% in 2005

Reduce alcohol-involved crash deaths among young adults (20-24) to 47% in 2005

Reduce alcohol-involved crash deaths among adolescents (15-19) to 43% in 2005

Reduce New Mexico's traffic safety fatality rate per one hundred MVMs traveled from 1.77 in 2000 to 1.74 in 2002 and 1.69 in 2005.

Reduce the number of head-on crash rate per one hundred MVMs traveled from 2.6 in 200 to 2.18 in 2002 and 2.0 in 2005.

Increase the percentage of front seat occupant belt use from 87% in 1999 to 89% in 2002 and 91% in 2005.

Measures should not promote unintended consequences or encourage unconstructive organizational behavior. A comprehensive measurement system and true outcome measures are the best way to prevent this problem.

### RECOMMENDATIONS

To improve performance measures, DPS should

- Define measures in GAA, in consultation with SBD and LFC;
- Ensure targets reflect actual performance and are achievable;
- Develop more comprehensive, resultsoriented measurements.

To better focus performance management, DPS should

- Develop customer-focused measures;
- Develop measures benchmarked against national standards or neighboring states;

- Assume a leadership role to ensure the development of statewide goals and strategies for law enforcement;
- Address internal law enforcement program organizational issues;
- Formalize the role of DPS' law enforcement function within different geographic areas;
- Involve stakeholders, clients, and employees in the measure-development process;
- Break down their staffing needs by showing how incremental adjustments in assumptions change staffing estimates.

To improve strategic planning impact, DPS should

- Develop a long-term (five year) strategic plan separate from the short-term annual action plan;
- Include performance measures and components of the goals and objectives in the five-year plan;
- Work with NMSHTD to develop statewide goals and strategies for traffic safety;
- Identify specific strategies to accomplish program coordination and include those strategies in the annual action plan;
- Monitor action items to ensure they are assigned and completed;
- Broadly communicate the results of key performance measures.

### **Conclusion**

Performance measurement is key to the success of PBB, and the old adage of "what gets measured gets done" still governs behavior. To implement PBB, performance measurement should go beyond the few measures in GAA and become the organizing principle for the department. The best way to accomplish this is a comprehensive measurement system built on a strategic plan, an annual action plan and sound, results-oriented measures.

### GARY E. JOHNSON Governor



### THOMAS L. ENGLISH Cabinet Secretary

# FRANK R. TAYLOR Deputy Secretary/Chief RECEIVED

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LEGISLATIVE FINANCE

### **NEW MEXICO STATE POLICE**

Deputy Secretary/Chief New Mexico State Police 827-9002

Office of the Secretary 827-3370

Special Investigations Albuquerque 841-8053

Motor Transportation 827-0321

Office of Emergency Support & Services 476-9600

Training & Recruiting 827-9256

Technical & Emergency Support 827-3375

> Information Technology 827-9115

DPS Support Services 827-9016 I would like to thank the Legislative Finance Committee (LEC) Wolf in opportunity to allow DPS to be the first agency evaluated for Performance Based Budgeting. The experience has been enlightening and we feel it will help us move forward in our endeavor to be more accountable to the citizens of New Mexico. I would also like to commend LFC staff involved in the evaluation process. The staff members were helpful, professional and accessible during the whole process.

The evaluation of the agency is fair and we accept some of the critical areas identified. However, we would like to point out some issues that we think contribute to discrepancies in our Strategic Plan and performance measurement. The Department of Public Safety is proud to have volunteered to be the first agency to adopt Performance Based Budgeting. Being first also has its problems and we experienced a host of problems facing this task. The points captioned below are not meant to be a criticism of performance based budgeting. These are only areas we feel that need to be addressed to enhance this process and hopefully assist other agencies in the future. The impediments we encountered are as follows:

Convoluted direction in strategic planning and performance measurement
Performance Based Line Item Budgeting
Placed measures
Training
Statewide Strategic Plan

## <u>Convoluted Direction in Strategic Planning and Performance Measurement</u>

It is clear from the evaluation that the emphasis is placed on performance measurement. Good measures are a product of good strategic planning. In the beginning, DPS launched into strategic planning involving all levels of the agency to come up with a good plan. Hundreds of hours in meetings, planning, writing and re-writing the Strategic Plan took place. The current version is the eighth draft of an ever-changing process and document. Initial reactions to the plan caused changes and a realization that this was going to be

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a long and hard process. Strategic planning took a back seat to negotiations with LFC analysts, staff and an AD Hoc Committee on measures and eventually placed measures. We recognize the problem that arose because of the disconnect between the plan and the measures.

The evaluation's emphasis on measures is indicative of the problem faced from the beginning. Measures should not be used to develop a strategic plan; rather we need a better strategic planning component to develop effective measures.

### Performance Based Line Item Budgeting

All State agencies are experiencing this same problem. Operating and reporting by line item and trying to operate with Performance Based Budgeting (PBB) are difficult. DPS has inadequate staff to continue with the old line item budget process and incorporate PBB. Current staffing levels are inadequate to continue with the old system of line item budgeting with the additional requirements of performance budgeting. This duplicate process has frustrated employees and strained resources.

### Placed Measures

Initial measures as requested were a variety of inputs, outputs, efficiencies, qualities and outcome measures. The LFC placed an emphasis on outcome measures and later changed the emphasis to output measures, which DPS adopted. After discussions with LFC staff and an Ad Hoc LFC committee, DPS adopted "placed measures" that were recommended by the Ad Hoc committee. Ninety percent (90%) of these measures were outputs. DPS asked about changing the strategic plan or "backing" the measures into the plan, and was advised not to change the strategic plan or back the measures into the plan. We realized a definite de-emphasis of strategic planning and emphasis on measures mostly placed from outside. Placed measures circumvent the process and exclude stakeholder's input. This creates a tremendous difference in the plan, the measures, and what the agency actually accomplishes.

### Training

DPS attended all of the training offered by the LFC in Performance Based Budgeting. Each session consisted of training in the construction of performance measures. None of the training addressed strategic planning only emphasizing the construction of measures. In the same training sessions, the strategic planning component was glossed over or not addressed at all.

### Statewide Strategic Plan

One of the training sessions provided by the LFC staff was Managing for Results, Improving Your Performance Measures by Mark D Abrahams and Martha Marshall on July 21, 2000. During this session, Mark Abrahams expressed his concerns that the State of New Mexico had not established a statewide strategic plan. The statewide strategic plan would establish overall goals for the alignment of state government and agency plans and measures.

Most problems facing New Mexico citizens today are large multi-faceted issues that impact many or all State agencies. A statewide strategic plan would require inter-agency cooperation and alignment with statewide goals. An example is alcohol abuse, a deep social problem, that law enforcement can impact with DWI enforcement. However, if we think we can simply arrest our way out of alcohol abuse we are sadly mistaken. This impacts all areas of government including Health, Education, Legislature, DPS, Highway, CYFD, Corrections, and the Governors Office. Requiring agencies to coordinate overarching measures without common goal direction is a weak response to this problem.

### The Evaluation

### ♦ Measure Reliability, Validity and Management Use

DPS realizes as being the first agency for this process that we are breaking ground for other agencies in performance based budgeting and in this evaluation process. The expectation of having perfect performance has never been considered realistic, particularly when there were no rules in the beginning and new rules at each turn. The LFC is also learning as we go, consequently, this process is healthy for all involved. The evaluation expresses some concerns over performance measures and their reliability and validity based upon certification and validity standards adopted by the LFC Auditors. This evaluation is the first time DPS has seen these criteria and so this will be helpful in the future when re-writing the strategic plan and establishing performance measures. The evaluation does not adequately address the impediments listed above in this response. Placed output measures and a de-emphasis of strategic planning will result in concerns over validity and reliability of measures. These issues were brought to the attention of the audit staff on more than one occasion.

DPS feels that we can better use our performance measures in management decisions. Performance measures are topics of concern in staff meetings, commanders meetings, Comp-stat strategy sessions and performance based budget meetings. Now that the agency knows the criteria for evaluation we can plan for better future utilization of these criteria.

DPS has experienced growing pains since the establishment of the department in 1987. Structuring the agency for optimal performance and efficiency is an obligation of the administration. Each Cabinet Secretary has seen needs for agency change. Change is not always a welcome event but is necessary at times to enhance the agencies effectiveness.

We appreciate the recognition of the auditors for our several best practices and particularly the Motor Transportation Divisions efforts in commercial vehicle crash reduction. DPS is proud of MTD's efforts and their nationwide recognition as professionals in commercial vehicle safety.

DPS recognizes that the Strategic Plan only addresses a fraction of what the agency does. As is, the Strategic Plan is eighty plus pages long and we have received criticism for its length. Incorporating everything will lengthen the five-year plan considerably. We look forward to

direction and instruction on how to better write the plan and the establishment of an annual action plan.

DPS is pleased to see that the LFC Auditors recognize the difficulty in developing performance measures for the Law Enforcement Program (LEP). The LEP is dedicated to providing law enforcement services to the citizens of New Mexico. DPS feels that we cooperate fully with all local and county agencies in the State. DPS LEP does not compete for calls for service anywhere. DPS does recognize areas of the state where law enforcement services are lacking, whether through lack of local law enforcement or poor local dispatch management. The DPS feels that inadequate law enforcement services are unacceptable and wish to fill that need with quality services. Examples of this dedication are our efforts in the Pecos and Chama areas. DPS LEP saw a need, accepted the challenge and addressed the issues.

### ♦ Strategic Planning

DPS appreciates the recognition of our efforts in strategic planning. As listed in the impediments above, we realize our plan needs revision and look forward to a unified effort with LFC at making strategic planning better for all. Comprehensive training and direction can only enhance the process. We look forward to building a comprehensive plan with the good direction and training forthcoming. We also look forward to participation in the statewide strategic planning effort. As large stakeholders in areas of public safety, we want to help bring the State to accountability to our citizens.

### **♦ DWI Case Study**

DPS recognizes the need for a strong law enforcement response to the alcohol abuse problem in our State. As stated in the impediments above, DWI is a symptom of this very large and complex problem. DPS currently has DWI as one of the top priorities for the agency. Secretary English has set strong direction and for DWI enforcement, particularly with multiple offense DWI violators. Operation Road Predator is designed to attack this very problem. DPS is correlating multiple offense violator resident locations to liquor establishments and high probability routs of travel. Information is being disseminated to LEP Districts and local law enforcement. Special Investigations Division is investigating multiple offenders and problem liquor establishments. All in an attempt to lower alcohol related accidents. However, DPS also recognizes that we cannot arrest our way out of this huge multi-faceted alcohol abuse problem. We fully intend on continuing our efforts in this endeavor and plan on adding outcome measures to our plan, with help from the LFC.

DPS has concerns over the case study. The "measures" cited in the study are actually goals from the Traffic Safety grant process. The goals are stated as measurable because it is required in this process. DPS could adopt any one of these goals as a measure; however, it is not reasonable to expect our efforts will have a large enough impact to meet the measure. These are excellent goals for a statewide strategic plan that most State agencies would have to work toward. DPS is currently working with Traffic Safety on mutual overarching measures. One example is wrong-

way driver fatalities on Interstate 40. Over the past six years seven fatal accidents have occurred due to wrong way drivers that are usually drunk driving against on-coming traffic. We plan on continuing to work close with Traffic Safety and other agencies on mutual concerns.

### Conclusions

DPS accepts the evaluation as a tool to make the Performance Based Budget process better for all. The evaluation gives the best direction and insight to PBB received to date. We look forward to working closely with the LFC and DFA on revising, or drafting a new plan and performance measures. DPS also wishes to participate as a stakeholder in the statewide strategic planning effort. DPS also hopes that this response will help the LFC and other agencies understand some of the impediments that are holding PBB back from the intent of accountability in government.

Thomas L. English, Cabinet Secretary, BPS